

# **Texas Health Care Policy Council**

Teacher Retirement System of Texas, 5<sup>th</sup> Floor Boardroom  
1000 Red River Street, Austin, Texas 78701

**COUNCIL MEETING**  
**THURSDAY, OCTOBER 30, 2008**  
**11:00 a.m.**

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## **MEMBERS PRESENT**

Nancy Dickey (Chair), Seth Chandler, Rick Danko, Alexia Green, Ronnie Jung, Maureen Milligan, John Monk, Michelle Massey, Scott Ransom, Ken Shine, Stacey Silverman, and Jon Weizenbaum

## **MEMBERS ABSENT**

Ann Fuelberg (Vice Chair), Larry Jones, and Dianne Longley

## **CALL TO ORDER/WELCOME AND INTRODUCTIONS**

Chair Nancy Dickey called the meeting to order at 12:05 a.m. Chair Dickey welcomed the members of the Health Care Policy Council (Council) and guests, and asked Mr. Tony Gilman, Executive Officer of the Council, to take roll.

Chair Dickey advised members that Mr. Rob Kukla is representing Ms. Ann Fuelberg and the Employee Retirement System (ERS). Mr. Kukla is the Director of Benefit Contracts at ERS. She also noted that Catherine Bingle is representing Mr. Larry Jones and the Texas Workforce Commission (TWC). Ms. Bingle is a Division Program Manager with the Workforce Development Division at TWC. Mr. Doug Danzeiser is representing Dianne Longley and the Texas Department of Insurance (TDI). Mr. Danzeiser is the Deputy Commissioner for Regulatory Matters in the Life, Health & Licensing Division of TDI.

## **REPORTS, UPDATES AND POSSIBLE ACTIONS**

### **Approval of Minutes from the August 21, 2008 Meeting**

Chair Dickey asked if there were any additions or corrections to the minutes of the August 21, 2008 meeting. Dr. Ken Shine made a motion to pass the meeting minutes. Dr. Alexia Green seconded the motion. The motion was approved by a unanimous voice vote.

### **Briefing on and Consideration of Pharmaceutical Purchasing Optimization Options Policy Paper (Action Item)**

Chair Dickey asked Ms. Ann-Marie Price, Governor's Advisor and Policy Analyst to the Council, to brief members on optimizing pharmaceutical purchasing in Texas. Ms. Price reviewed the *Optimizing Pharmaceutical Purchasing in Texas* policy report, including the strategies and findings identified in the report. Ms. Price noted that the intent of the report is to serve as a resource guide to policy-makers. Ms. Price then reviewed a separate document summarizing comments that Mr. Seth Chandler circulated to the Council prior to the meeting relating to: (1) transparency of pricing information; (2) deletion of expressions of "one-size-fits-all-approaches" within the policy report and endorsement of multiple agency purchasing; and (3) reverse auctions. Ms. Price also reviewed alternative language to Mr. Chandler's recommendations. Chair Dickey recognized Mr. Chandler to review his recommendations. Mr. Chandler discussed his recommendations and explained the differences between his

recommendations and the alternative recommendations presented by Ms. Price. The Council then reviewed, discussed, and voted on several amendments as summarized below.

Amendment 1: Relating to Transparency of Pricing Information

*Chandler Recommendation* – Recommend legislation that would have the effect of (a) amending Government Code Section 552.110 and/or other related statutes to deem “pricing information” received from an entity selling pharmaceuticals to a Texas state agency not to constitute a “trade secret” and (b) prohibit Texas state agencies from entering into contracts that restrict any otherwise existing right or duty of those agencies to make public information about the prices paid for pharmaceuticals or pharmaceutical services.

*Alternative Recommendation* – Recommend legislation that (a) would authorize or require sharing of information between state agencies; and (b) maintains and protects the confidential nature of that information.

Dr. Shine moved to adopt the policy report as presented by Ms. Price. Mr. Ronnie Jung seconded the motion. Chair Dickey asked if there was further discussion. Mr. Chandler then moved to adopt Amendment 1. Dr. Green seconded the motion. The motion failed by voice vote.

Dr. Shine moved that the policy report recommend legislation that (a) would require state agencies and systems to negotiate re-procured or newly created contracts that allow for the sharing of pricing information between state agencies and systems; and (b) maintains and protects the confidential nature of that information. Dr. Rick Danko seconded the motion. The motion was approved by voice vote. Mr. Chandler did not vote in support of the motion.

Amendment 2: Relating to Expressions of “One-Size-Fits-All-Approaches” and Endorsement of Multiple Agency Purchasing

*Chandler Recommendation* – Amend the report to delete expressions of disdain for “one-size-fits-all-approaches” and endorse multiple agency purchasing. Ask Council staff to identify with specificity, advantages and disadvantages of (a) the status quo; (b) a unified approach to purchasing; and (c) an intermediate position in which the most advantageous consolidations occur.

*Alternative Recommendation* – Amend the report (briefing book page 111) to charge the Pharmaceuticals Workgroup with identifying with specificity advantages and disadvantages of (a) the status quo; (b) a unified approach to purchasing; and (c) an intermediate position in which the most advantageous consolidations occur.

Mr. Chandler moved to adopt Amendment 2. The motion was seconded by Dr. Green. The amendment was restated to ask Council staff to review the entire policy report and make appropriate changes with special consideration to tone regarding consolidation of state agency purchasing. The motion passed by unanimous voice vote.

Amendment 3: Relating to Reverse Auctions

*Chandler Recommendation* – Amend the report to say that the Council recommends that reverse auctions following qualification of bidders should be the presumptive method for state agencies in the purchase of generic pharmaceuticals and pharmaceutical supplies.

*Alternative Recommendation* – Amend the report to add language to the Overall Findings on Reverse Auctions on briefing book page 108 that states, “State agencies that directly purchase pharmaceutical should consider a reverse auction strategy when pharmaceutical contracts for generic drugs and pharmaceutical supplies expire and are re-procured.”

Mr. Chandler moved to adopt Amendment 3. The motion was seconded by Dr. Green. The motion failed by voice vote.

Dr. Scott Ransom moved to amend the report using the language in the alternative recommendation to Amendment 3. The motion was seconded by Dr. Green. The motion failed by voice vote.

Chair Dickey asked if there was anyone in the audience that would like to comment on the policy paper. Hearing none, Chair Dickey called for a vote to approve the *Optimizing Pharmaceutical Purchasing in Texas* policy report as amended by the Council. The Council approved the report as amended by voice vote. Mr. Chandler did not vote in support of the final policy report as amended.

### **Council Member Reports**

Chair Dickey then moved to Council member reports, and recognized Dr. Maureen Milligan to provide the Council with an update on Medicaid reform and the Frew settlement. Dr. Milligan discussed the Texas Health and Human Service Commission’s work on the Medicaid waiver. She also discussed the work of the Frew Advisory Committee on a new physician loan repayment program. Chair Dickey thanked Dr. Milligan for her update. Council members discussed the status of the Medicaid waiver and the work of the Frew Advisory Committee.

### **Briefing and Consideration of Physician Workforce Study (Action Item)**

Chair Dickey noted that the next item of business was a briefing by Mr. Gilman on the *Physician Workforce and Graduate Medical Education* policy report. Mr. Gilman reviewed the Council’s statutory charge relating to the study. He provided members with an overview of the Partnership Workforce Subcommittee meeting and discussed the sections of the report including the findings and recommendations. He also provided an overview of stakeholder comments considered by the subcommittee.

Council members reviewed the policy report and offered comments and suggested edits. Chair Dickey thanked Mr. Gilman for his presentation and asked if there was anyone in the audience that would like to comment on the policy report. Chair Dickey recognized Ms. Linda Woolbert, Executive Director of the Coalition for Nurses in Advance Practice, to provide comments. Ms. Woolbert encouraged the Council to strengthen language included in the policy report concerning waiving statutory and board rules to give providers or facilities more flexibility in developing and proposing novel models of care delivery. Chair Dickey thanked Ms. Woolbert for her comments and asked if there was any further public comment. Hearing none, Dr. Dickey asked for a motion to approve the *Physician Workforce and Graduate Medical Education* policy report as amended. Dr. Shine moved to approve the policy report as amended. Dr. Ransom seconded the motion. The motion was approved by a unanimous voice vote.

### **Consideration of State Health Information Architecture/House Bill 921 Implementation Report (Action Item)**

Chair Dickey asked Mr. Stephen Palmer, Governor's Advisor and Policy Analyst to the Council, to brief members on the *State Health Information Architecture* policy paper. Chair Dickey thanked Mr. Palmer for his presentation. Council members reviewed, discussed, and offered comments and suggested edits. Chair Dickey asked if there was anyone in the audience that would like to comment on the policy paper. Hearing none, Chair Dickey asked if there was a motion to approve the *State Health Information Architecture* policy paper as amended by the Council. Mr. Chandler made a motion to approve the policy paper as amended. Dr. Stacey Silverman seconded the motion. The motion was approved by a unanimous voice vote.

### **Discussion and Consideration of the Council's Final 2008 Report (Action Item)**

Chair Dickey advised members that the next item on the agenda was discussion of the Council's final report for 2008. Mr. Gilman reviewed the Council's enabling statute and noted that the statute requires the Council to submit a report to the Governor, Lieutenant Governor, and Speaker prior to December 31 of each even numbered year. It further directs the Council to include in the report any recommendations made by the Texas Health Workforce Planning Partnership or any other advisory group formed by the Council. Mr. Gilman advised members that the final report would include the following information:

- Cover letter signed by the chair and vice chair of the Council;
- One-page document noting the Council's mission, duties, and composition;
- Document summarizing the Council and Texas Health Workforce Planning Partnership meetings; and
- Policy reports approved by the Council.

The Council members discussed the final report. Chair Dickey asked staff to send copies of the final report to each member of the Council. Chair Dickey asked if there was a motion to approve the final report. Dr. Ransom made a motion to approve the final report. Dr. Silverman seconded the motion. The motion was approved by unanimous voice vote.

### **Briefing on and Discussion of 2009-10 Work Plan**

Chair Dickey noted the next item on the agenda was a discussion of the Council's work plan for 2009 and 2010. Mr. Gilman reviewed the Council's enabling statute and discussed potential work plan options for 2009-2010. Council members discussed and offered feedback on the potential work plan options.

### **INFORMATION ITEMS**

Chair Dickey asked Mr. Gilman to provide members with information on the Council's schedule for 2009 and 2010. Council members discussed having a meeting in the spring of 2009. Mr. Gilman stated that staff would consider having a possible meeting in the spring but noted that, due to potential scheduling conflicts, that it might be difficult to schedule meeting while the Texas Legislature was in session. He advised members that the next meeting of the Council would likely be in the fall of 2009. Chair Dickey asked members if they had any questions about the expenditure report contained in the briefing book.

### **PUBLIC COMMENT**

The following individuals provided public comment during the meeting:

- Linda Woolbert, Coalition for Nurses in Advance Practice

**ADJOURN**

Chair Dickey asked for a motion to adjourn. A motion was made by Dr. Milligan and seconded by Mr. Chandler. The meeting adjourned at 3:29 p.m.